

# PEOPLES ENERGY. Services

November 12, 2004

ZEA, LAWRENCE D.  
838 SALEM LN  
CARPENTERSVILLE, IL 60110

Re: PES Customer Number PES 16-00100457

Dear Valued Customer:

We at Peoples Energy Services thank you for your continued business. We would like to take this opportunity to confirm our commitment to deliver your natural gas at a fixed price of 62¢ per therm through the fall of 2005.

During the past year, in response to questions raised by the Citizens Utility Board and the Illinois Commerce Commission ("ICC"), we have been working on finding better ways to serve you. As a result, we want to ensure that you clearly understand our agreement and are satisfied with the current program.

The following are some frequently asked questions and answers.

- Q: What is Customer Select® or Choices For You<sup>SM</sup>?**  
**A:** These are utility programs that allow customers like you to choose your natural gas supplier. These programs allow you to choose from a variety of services and pricing options that meet your needs that may not be available from your utility.
- Q: Will my price of 62¢ per therm change to reflect current market conditions?**  
**A:** No. We will continue to provide your natural gas supply at 62¢ through the term of our agreement. Changes in the current market prices will not impact our commitment to provide you gas at 62¢.
- Q: Is there any chance that you will run out of natural gas supply and not provide my 62¢ gas?**  
**A:** No. We have already purchased your supply for the full length of our term. Only an unexpected catastrophic event or governmental or judicial actions outside of our control (known legally as an event of force majeure) may prevent us from delivering your supply.
- Q: What will happen to me if the Customer Select® or Choices For You<sup>SM</sup> programs are discontinued?**  
**A:** In the very unlikely event that either of these programs is discontinued, we will return your account to the utility's gas supply service. Otherwise, we will not return you to the utility unless our agreement is terminated.

Peoples Energy Services is not the same company as Peoples Gas or North Shore Gas. The rates of non-utility gas suppliers like Peoples Energy Services are not regulated by the Illinois Commerce Commission. You do not need to buy products or services from Peoples Energy Services in order to receive the same quality service from Peoples Gas or North Shore Gas.

OFFICIAL FILE

I.C.C. DOCKET NO. 06-0350

PES Exhibit No. 4

Witness \_\_\_\_\_

Date 7/12/04 Reporter J. W.

**Q: Will you let me know if you're returning me to the utility?**

**A:** Yes. If anything happens which forces us to stop serving you, we will notify you in writing and clearly explain why we are unable to serve you until the end of your current term.

**Q: What will happen at the end of my current term?**

**A:** At least 60 days prior to the end of your term, we will send you a letter with a new price and new term. This offer will automatically start when your current term ends, unless you choose to decline the new offer.

**Q: What happens if I want to cancel the agreement before the end of the term?**

**A:** We are very confident that you will be satisfied with this program. If for any reason, you are not satisfied, we will allow you to terminate the agreement without any early termination fee.

Also attached for your convenience is a chart showing your usage and charges for the past twelve months, as well as a summary of some of the key terms of our agreement. We hope this helps your understanding of our services. We are committed to providing products that meet your needs. This fixed price program will guarantee that you will not feel the impact of volatile natural gas prices for the term of this agreement.

If you have any other questions about our services, including the information in this letter, please contact us toll free at 800-698-1728. We look forward to continuing as your natural gas supplier.

Sincerely,



Ann DeBortoli  
Vice President

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ZEA, LAWRENCE D.  
 838 SALEM  
 CARPENTERS, Illinois 60110-1520

PES Customer Number: 16-00100457  
 Utility Account Number: 0017018361

Bill Date	Billing Period	Gas Cost PerTherm*	Usage (Therms)	Total Gas Cost	Utility Pass Through Charges	Admin Charges	Miscellaneous Charges	Interest Charges
11/10/03	10/06/03 - 11/06/03	\$0.62	87.87	\$ 54.48	\$2.09	\$2.95		
12/10/03	11/06/03 - 12/08/03	\$0.62	274.72	\$ 170.33	\$5.24	\$2.95		
1/12/04	12/08/03 - 01/08/04	\$0.62	322.19	\$ 199.76	\$7.66	\$2.95		
2/12/04	01/08/04 - 02/10/04	\$0.62	338.35	\$ 209.78	\$8.09	\$2.95		
3/11/04	02/10/04 - 03/09/04	\$0.62	229.49	\$ 142.28	\$5.69	\$2.95		
4/9/04	03/09/04 - 04/07/04	\$0.62	239.60	\$ 148.55	\$6.01	\$2.95		
5/11/04	04/07/04 - 05/07/04	\$0.62	103.02	\$ 63.87	\$2.97	\$2.95		
6/11/04	04/07/04 - 06/08/04	\$0.62	(61.66)	\$(38.23)	\$(0.79)	\$2.95		
7/12/04	06/08/04 - 07/08/04	\$0.62	15.13	\$ 9.38	\$0.97	\$2.95		
8/11/04	07/08/04 - 08/07/04	\$0.62	14.12	\$ 8.75	\$0.94	\$2.95		
9/9/04	08/07/04 - 09/07/04	\$0.62	17.15	\$ 10.63	\$1.01	\$2.95		
10/8/04	09/07/04 - 10/06/04	\$0.62	35.31	\$ 21.89	\$1.43	\$2.95		

\* For your reference, utility gas costs for the month of November 2004 are as follows:

Nicor Gas \$ 0.740  
 North Shore Gas \$ 0.798  
 Peoples Gas \$ 0.798

Please note the utility gas costs change monthly. Current utility gas costs are not indicative of past or future costs.

**The Terms and Conditions under which Peoples Energy Services ("PES") provides you, our Client, service are detailed in the Natural Gas Agreement ("Agreement") you accepted. The Agreement includes any subsequent amendments such as pricing notices. Key terms of the Agreement include:**

- We will manage all your gas requirements, and you will purchase your full gas requirements from us.
- Unless otherwise notified, our charges will be consolidated with utility charges on a single bill. Charges consolidated on the utility bill will be due according to the utility's payment terms. Late payments incur interest at 1.5% per month (or highest amount allowed by law) plus any credit and collection costs we incur. PES may terminate our Agreement if you fail to meet credit requirements or make payments when due.
- You authorize PES to act as exclusive agent for all matters related to your utility transportation and delivery of gas to your account during the term of our Agreement. You authorize PES, its agent or designee to investigate and obtain any financial information related to your credit experience and financial status at any time.
- We will not cancel your utility distribution service.
- You will be responsible for all charges assessed or collected by the utility with respect to utility service that you continue to receive.
- Except for monthly charges related to aggregation balancing service, PES is responsible for all utility imbalance penalties, charges and cashouts.
- You are responsible for any taxes, fees, levies or charges imposed by any government authority with respect to gas under our Agreement.
- Except for your obligation to make payment when due, neither you nor PES shall be liable to the other for failure to perform an obligation, to the extent such failure was caused by force majeure. Force majeure means any event beyond the reasonable control of the non-performing party, that could not be remedied by the exercise of due diligence and that was not reasonably foreseeable, including without limitation acts of God, weather related events, breakage or accident or necessity of repairs, acts of others such as industrial disturbances, riots, terrorist acts or wars, and governmental actions. Neither you nor PES shall be entitled to the benefit of claiming force majeure to the extent performance is affected by economic hardship such as a change in the price of gas.
- Prior to the end of the initial term or any extension, we may submit a new offer ("pricing notice"), including a revised price and term, to you, and, absent your written objection to that offer within 10 days of its receipt, the offer will be deemed accepted, any such offer need not be signed by you, and our base Agreement will be deemed amended accordingly.
- If you move to an address outside the current utility service territory, then the Agreement will terminate automatically. If you move to an address within the current utility service territory, then we may elect to continue or discontinue serving you.
- PES reserves the right not to commence service under the Agreement or to return you to your prior utility service upon verbal notice, confirmed in writing, if, in PES' reasonable judgment, there are material changes to governmental laws, rules or regulations or to utility tariffs or procedures that materially and adversely affect PES' ability to serve you or provide the price.
- If you wish to speak with us concerning the supply portion of the bill or any supply issues, you can call us at 1-888-698-1728 or write to the address below. We will attempt to resolve the matter within 5 business days after receiving the call or letter. If you're not satisfied with the response, you can contact the Illinois Commerce Commission's Consumer Services Division at 1-800-524-0795 or 1-800-858-9277 for TTYTDD hearing-impaired customers.
- If you terminate, or otherwise cause the termination of this Agreement prior to the end of any term, an early termination fee may apply.
- Except as otherwise provided, in no event will either party be liable to the other for punitive, exemplary, special, consequential or incidental damages under your current Agreement. PES' total liability to you and your exclusive remedy under our Agreement will not exceed the amount of your highest monthly invoice.

This summary is provided in accordance with applicable Illinois law. It is for informational purposes only and does not supersede, replace or amend the Agreement.

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